

RAILCAR, Ltd.
Suite 455
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

(404) 352-6799
Fax (404) 352-6798

SEP 15 '99

9-00 AM

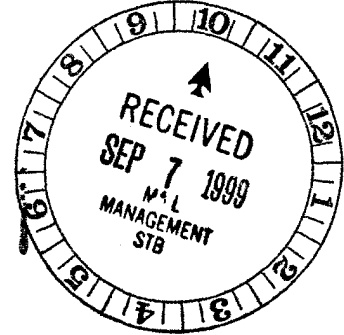
RAILCAR

September 1, 1999

RECORDATION NO. 22404 FILED

SEP 15 '99

9-00 AM



Secretary's Office
Surface Transportation Board
1925 K Street, NW, Suite 700
Washington, D.C. 20423-0001
Attention: Recordation Unit- Ms. Taledia Stokes

RE: Railcar, LTD. and Lodestar Energy, Inc.

Dear Ms. Stokes:

On behalf of Railcar, LTD., I am enclosing for recording an original and two counterparts of a primary document, not previously recorded entitled: "Memorandum of Lease" dated as of September 1, 1999. Also enclosed is a check for \$26 payable to the "Surface Transportation Board."

The names and addresses of the parties is as follows:

Railcar, LTD. (LESSOR)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847
Attn: Mr. Paul H. Kennedy

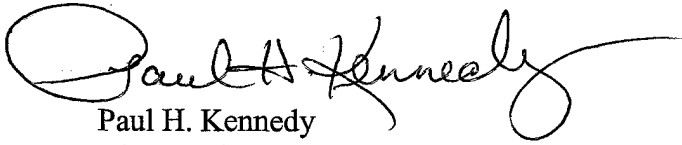
Lodestar Energy, Inc.
333 West Vine Street, Suite 1700
Lexington, KY 40507-1628

The equipment covered by the document is more fully described in the Description of Railcar schedule, which is enclosed.

A short summary of the document to appear in the index is as follows: "Lease Agreement between Railcar, LTD. 1819 Peachtree Road, N.E., Suite 455 Atlanta, Georgia 30309-1847, as Lessor, and Lodestar Energy, Inc. 333 West Vine Street, Suite 1700, Lexington, KY 40507-1628, as Lessee, dated March 1, 1999, and covering 40, 100-ton, all steel hopper railcars bearing the marks and numbers as described in the Description of Railcar schedules filed with the STB."

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB.

Sincerely,

A handwritten signature in cursive script, reading "Paul H. Kennedy". The signature is fluid and includes a large, sweeping loop at the end.

Paul H. Kennedy
Vice President of Administration

SEP 15 '99

9:00 AM

MEMORANDUM OF LEASE

1. Pursuant to the Master Lease Agreement dated as of March 1, 1999, and the related Schedule No. 1 dated as of March 1, 1999 (collectively, the "Lease Agreement"), between Railcar, Ltd. ("Lessor"), as lessor, and Lodestar Energy, Inc. ("Lessee"), as lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. The addresses of the parties are as follows:

Railcar, Ltd.
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847

Lodestar Energy, Inc.
333 West Vine Street, Suite 1700
Lexington, KY 40507-1628

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3. The term of the Lease has already commenced and is scheduled to end approximately on August 31, 1999 subject to an automatic extension for an additional six month period.

4. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

5. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on Next Page]

Lodestar Energy, Inc.

By: Troy L. Francisco

Name: Troy L. Francisco

Title: Vice President

State of Kentucky, County of Fayette

On August 26, 1999, before me personally appeared Troy L. Francisco, to me personally known, who being by me duly sworn says that he is Vice President of Lodestar Energy, Inc., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Connie D. Shanks

Notary Public

My commission expires: 6-29-2002

[NOTARIAL SEAL]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of 9/1/99.

RAILCAR, LTD.

BY: Paul H. Kennedy

Name: Paul H. Kennedy.

Title: Vice President of Administration

State of Georgia, County of Fulton

On September 1, 1999, before me personally appeared PAUL H. Kennedy, to me personally known, who being by me duly sworn says that he is VP Administration of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jay J. Hardin

Notary Public

My commission expires

Notary Public, Coweta County, Georgia
My Commission Expires April 2, 2002

[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

DESCRIPTION OF RAILCARS EXHIBIT TO SCHEDULE NO. 1

This is an exhibit 2 to Schedule No. 1 to the Master Lease Agreement dated as of March 1, 1999, between Railcar, Ltd., as Lessor, and Lodestar Energy, Inc., as Lessee.

Car Marks and Numbers:

SPSX 063250
SPSX 063543
SPSX 160580
SPSX 472205
SPSX 472225
SPSX 472257
SPSX 472386
SPSX 472410
SPSX 472440
SPSX 472488
SPSX 472499
SPSX 472669
SPSX 472693
SPSX 472801
SPSX 472971
SPSX 473146
SPSX 473934
SPSX 474040
SPSX 474140
SPSX 475945
SPSX 476016
SPSX 476385
SPSX 477053
SPSX 477181
SPSX 477195
SPSX 478076
SPSX 478862
SPSX 807316
SPSX 808190
SPSX 809294
SPSX 828143
SPSX 828812
SPSX 829021
SPSX 829419
SPSX 829542
SPSX 829562
SPSX 830606
SPSX 830977
SPSX 831845
SPSX 832318